



*The Commonwealth of Massachusetts
Commonwealth Health Insurance Connector Authority
100 City Hall Plaza
Boston, MA 02108*

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MARYLOU SUDDERS
Board Chair

KARYN POLITO
Lieutenant Governor

LOUIS GUTIERREZ
Executive Director

**Board of the Commonwealth Health Insurance Connector Authority
Minutes**

Thursday, April 11, 2019
9:00 AM to 11:00 AM

50 Milk Street, 8th Floor
Boston, MA 02109

Attendees: Louis Gutierrez, Michael Chernew, Gary Anderson, Nancy Turnbull, Roberta Herman, Rina Vertes, Dimitry Petion, FayeRuth Fisher, and Lauren Peters (who was sitting by designation on behalf of Secretary of the Executive Office of Health and Human Services Marylou Sudders). Mark Gaunya and Lou Malzone joined by telephone.

The meeting was called to order at 9:02 AM.

- I. Minutes:** The minutes of the March 14, 2019 meeting were unanimously approved.
- II. Executive Director's Report:** Mr. Gutierrez began the meeting by providing an overview of the primary agenda item before the Board: a vote to contract with Softheon, Inc. to manage the Health Connector's enrollment and billing services with carriers and consumers as a part of the larger Customer Experience Procurement Project (CXPP). He noted that the procurement was disciplined and the choice of bidder was grounded in a rigorous evaluation of facts. Mr. Gutierrez recognized the hard work of the Health Connector team which dedicated itself to the process of finding the best partner to move the organization forward. Before beginning staff presentations detailing the Softheon, Inc. contract, Mr. Gutierrez provided a brief update on the status of the federal health policy landscape, reminding the Board of the Texas v. United States case in which a federal judge declared the entire Affordable Care Act (ACA) should be struck down as a result of the zeroing-out of the federal individual mandate. Although the Trump Administration Department of Justice recently announced that it would support a full strike-down of the ACA, the Massachusetts Attorney General remains fully invested in the case and in protecting the ACA and the Commonwealth's interests.

Mr. Gutierrez also shared recently released Centers for Medicare & Medicaid Services data relative to Open Enrollment 2019 highlighting the Health Connector's lowest average premiums of any Marketplace in the country for the third year in a row, higher share of members not receiving a subsidy than any other state (as a result of relatively low premiums and effective state-level individual mandate), second-highest percentage of plan selections from "young invincibles", aged 18 to 34, highest percentage growth in plan selections year-over-year, and the second highest absolute number of plans selected. He also made note of progress in the Health Connector's small group market citing modest growth on a small and growing base with nearly 300 new members enrolled in April.

Mr. Gutierrez closed his remarks by recognizing the 13th birthday of Chapter 58, Massachusetts' landmark health care reform law. He noted that the success seen throughout the Exchange and Massachusetts' position as a national leader can be traced back to the Commonwealth's commitment to providing access to affordable coverage to all.

III. Enrollment and Premium Billing Services Procurement (VOTE): The "Customer Experience Procurement Project: Enrollment and Premium Billing Procurement Recommendation (VOTE) and Implementation Planning" PowerPoint was presented by Vicki Coates, Kari Miller, Tatsiana Murauyeva, and Michael Piantanida. Ms. Coates began the presentation by providing background information about the overall Customer Experience Procurement Project. The goals of procurement included maintaining operational stability, improving the customer experience to match member expectations, and obtaining a favorable cost position.

As Ms. Coates described the initial information gathering phase of the procurement project, Ms. Turnbull inquired whether other Exchanges were examined as a part of the effort. Ms. Coates confirmed that interviews were held with other State-Based Marketplaces to understand their experiences and vendor strategy. In response to a follow-up question from Ms. Turnbull, Ms. Coates explained that the Customer Experience Procurement Project would position the Health Connector as a cutting-edge Exchange, implementing the new technologies and experience improvements Health Connector members expect including an intuitive, mobile-compatible website with the ability to receive and view documents electronically, additional payment options, and omni-channel customer service interaction history. Ms. Turnbull questioned whether current member expectations and needs were the same as the needs of new members (such as the uninsured). Mr. Gutierrez noted there is more research to be done on the needs of the non-insured. Ms. Coates also acknowledged the procurement team's reliance on Health Connector policy data to inform the customer experience goals driving the project. Ms. Coates continued her presentation of the procurement strategy, highlighting the tight integration required across multiple systems and platforms for a seamless, comprehensive member experience. Ms. Turnbull commented on the need for the existing enrollment and billing system to continue while the new vendor and system are implemented. In response to a question from Ms. Turnbull, Mr. Gutierrez remarked that although the Health Connector faces a unique challenge in replacing the existing enrollment and billing system due to the integrated eligibility system shared with MassHealth, Softheon, Inc.'s experience with carriers indicates they can implement their system without disrupting the Massachusetts Health Insurance Exchange

(HIX). Mr. Gutierrez also noted that a successful implementation is also highly dependent on cooperation from hCentive, the HIX technology vendor. Dr. Herman requested additional information about the Health Connector's current enrollment interface before continuing the presentation.

Ms. Muraueva then provided an overview of the scope of the enrollment and premium billing Request for Responses (RFR), highlighting the main scope of services as well as optional services. In response to questions from Ms. Turnbull and Mr. Petion, Ms. Coates noted that the procurement strategy sought vendors who could perform the essential services required for successful enrollment and billing. Although some services are listed as optional (miscellaneous notices and mailroom services) in the procurement, they are still essential to Exchange functions. Ms. Muraueva continued to explain the evaluation approach and scoring system employed in the procurement. In response to a question from Ms. Turnbull on higher weighting of competitive annual, on-going costs compared to implementation cost, Mr. Gutierrez highlighted the need for long term financial sustainability. Ms. Coates added that while price was important in the procurement, the procurement team sought overall value. In response to a follow-up question from Mr. Petion, Mr. Gutierrez noted that after entering contract negotiation with Softheon, Inc., the Health Connector's current enrollment and billing vendor, NTT Data, approached the Health Connector with a discounted price which is unallowable in this type of procurement. Furthermore, NTT Data's underlying technology does not solve the Health Connector's current customer experience challenges. Ms. Muraueva then detailed the participating bidders and extensive requirements in the evaluation process which ultimately resulted in Softheon, Inc. as the highest-scoring bidder with 780 out of 1,000 possible points. She concluded her portion of the presentation by providing evidence to support Softheon, Inc.'s relevant business experience, strong implementation team, and benefits for Health Connector members.

Next, Mr. Piantanida provided an overview of Softheon, Inc. implementation planning, highlighting the complexities that come with an implementation that is not only large in scope but also requires multiple integrations. In response to a question from Ms. Turnbull, Mr. Piantanida confirmed that the biggest risk to implementation is data conversion and integration. For successful implementation, member data in the new system must match data from the old system. Ms. Turnbull also inquired about implementation risks that emerge from entities that the Health Connector is reliant on. Mr. Gutierrez responded by explaining the Health Connector's three key reliance risks which include cooperation from hCentive, NTT Data, and Exchange carriers to complete carrier testing. He continued to explain that any implementation milestones requiring changes to the HIX would be reliant on the HIX release calendar. In response to a question from Mr. Petion, Mr. Piantanida described the balance between enrollment and billing functionality that is configurable compared to functionality that would require new system development. While Softheon, Inc. is largely configurable, there is some degree of new system development required in the bid. Sixty percent of the new member portal requirements need to be completed. However, the percentage needing development effort as opposed to configurations and functions standard to the existing system constitutes only 15 percent of requirements of the overall project scope. Mr. Piantanida closed by detailing the implementation timeline, plan

for mid-year data conversion, and project management structure. Additionally, he identified critical implementation milestones that must be achieved through the implementation. In response to questions from Dr. Herman, Dr. Chernew, and Mr. Petion, Mr. Gutierrez clarified that the Health Connector has cooperation requirements in the current contract with NTT Data but no strategy for extension of the contract should that be necessary due to non-interest on part of NTT Data. In response to a follow-up question from Ms. Turnbull, Mr. Gutierrez confirmed that Softheon, Inc. has made a commitment that their “A-team” will also be the project delivery team.

To conclude the presentation, Ms. Miller provided the Board with an overview of the cost structure proposed in Softheon, Inc.’s contract with the Health Connector. She highlighted that the proposed cost structure is financially favorable for the Health Connector, realizing efficiencies and economies of scale. Softheon, Inc. also accepted all of the Health Connector’s required service level agreements. In response to a question from Ms. Fisher, Mr. Gutierrez informed the Board that the competitive cost structure offered by Softheon, Inc. should not have any implications on service quality. Large computing environments are expected to realize efficiencies year-over-year which should keep costs low. In response to questions from Ms. Peters and Ms. Turnbull regarding reporting of key milestones, Mr. Gutierrez confirmed that improvements will be measured through customer service satisfaction scores and key implementation milestones will be reported to the Board regularly.

With no additional questions or discussion, the Board unanimously voted to approve the request to enter into an agreement with Softheon, Inc. for enrollment and premium billing business operations services, HIX and miscellaneous notices business operations services, and member portal services from April 12, 2019 to June 30, 2024 with two, two-year renewal options.

With no further comments, the Board agreed to adjourn the meeting through vote.

The meeting adjourned at 10:17 AM.

Respectfully submitted,

Nikhita Thaper